

“Reinvest in Minnesota Clean Energy Initiative”

Aka

RIM-CE

The “Roundtable” January, 2008

RIM-CE

- 2007 Legislation
- BWSR, with a big group, is reworking the RIM model to grow “environmentally beneficial” energy crops to fuel cellulose-based facilities
- Report due the Legislature in 2008
- Minnesota Environmental Initiative (MEI) is providing logistical support
- UM is providing technical support
- G. Larson and K. Lines are BWSR co-leaders

Why Reinvest in Minnesota (RIM)?

- Successful at enrolling environmentally sensitive lands for over 20 years
 - About 5000 easements and 190,000 acres--
- Locally implemented through SWCDs—and their connection with private landowners
- Could leverage significant federal funds

Key Elements of the Final Report

- How project areas will be selected
- Nature of the tiered payment system
- Standards for easements, including best management practices

Criteria for Selection of Land (3 Factors)

(1) Potential for environmental benefits

- Water quality
- Soil health
- Reduction of chemical inputs
- Soil carbon storage
- Biodiversity
- Wildlife habitat

(2) Proximity to Buyer of Product

- Land near a cellulose-based facility has priority

The product needs a market!!

(3)Willingness of Landowners to Apply Best Management Practices

- Application of appropriate BMPs are needed to maximize the environmental benefits

Payments for Easements

- A tiered payment system for easements must be developed
- The payment system must provide the highest per acre payment for diverse native prairie and perennials

Challenges

- Ambitious timeline
- Lot of stuff to cover
- Lots of related activities elsewhere
- Dealing with uncertainty

Opportunities

- Expand the utility of RIM for “working lands”
- Use the emerging bio-energy markets to better manage environmentally sensitive lands
- Potential to complement new federal farm policy
- Offer farmers an alternative to corn and soybeans on “poor” ground

Emerging Themes

- RIM –CE is both a bio-energy and a conservation program
- The State should pay for environmental benefits and the market should pay for the biomass
- The State payment could exceed market value if a very diverse mixed native prairie used in an environmentally sensitive area

Emerging themes (continued)

- Payments should be unrelated to biomass production
- Land should be sought within XX miles of a bio-energy facility
- The focus is on “poor” land, not “good” land

Projected RIM-CE Enrollment Process

- BWSR endorses report from RIM-CE group
- Preliminary statewide Request for Proposals
- Legislature provides funding
- BWSR develops program guidance
- BWSR publishes RFP
- Groups submit proposals
- BWSR selects project areas

Enrollment Process (continued)

- SWCDs and project team publicize program
- Landowners are briefed
- Willing landowners sign an agreement, beginning the easement process
- After 6-12 months (average time for easement processing), the landowner receives payment for the easement and is reimbursed for costs to establish vegetation

Enrollment Process (continued)

- Biomass is established, harvested and maintained according to best management practices and standards identified in the RIM-CE management plan—prepared for each landowner
- Presumably, landowners will have a side agreement with purchasers of biomass--

Status report

- The big group has met three times with one more meeting scheduled
- Many sub-committee meetings have been held
- Bonding request has been submitted to the Governor for the 2008 session
- BWSR consideration of the Report in January
- If funded, enrollments could begin in early 2009